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PAUJOL, A. *Code de commerce d'Haiti, introduction historique, notions de procédure civile et commerciale et lois les plus usuelles.* (Paris: A. Pédone. 1910. 12 fr.)

VOIGT, L. *Luigi Fontana-Russos handelspolitische Theorien.* Münchener volkswirtschaftliche Studien. (Stuttgart: J. C. Cotta Nachf. 1910. Pp. vii, 96. 2.50 fr.)

ZWIEDINECK-SUDENHORST, O. V. *Sozialpolitik.* Teubner's Handbücher für Handel und Gewerbe. (Leipzig: Teubner. 1911. Pp. vii, 450. 9.20 m.)

Accounting, Business Methods, Investments, and the Exchanges

Stocks and Shares. By HARTLEY WITHERS. (New York: Dutton and Company. 1910. Pp. 371.)

The principles governing operations in the stock market have been less adequately treated in financial literature up to a recent date than the science of currency and the money market. This arises partly, no doubt, from the comparatively recent development of stock exchange operations on a large scale and partly from the fact that the combination of expert knowledge and literary capacity to treat the subject is rare. Even where the capacity might exist, the time or the disposition is usually lacking. The expert stock operator is too busy to write books about what he is doing; and the writer of such books is not infrequently a person who has been driven to writing because he has failed on the stock exchange.

The connecting link between the practical and the literary side of the subject is naturally furnished by the financial men on the daily papers. Among those who have shown a happy faculty for combining a knowledge of sound principles with such a treatment of financial subjects as brings the reader in touch with the actual life of Wall Street and Lombard Street, is Mr. Hartley Withers, the financial editor of the "London Times." Mr. Withers is already favorably known to students of financial matters by his clear and entertaining volume on *The Meaning of Money*. In that work, he presented an account of the operation of the London money market which in some respects supplements the classic analysis of Bagehot a generation ago. The new work, *Stocks and Shares*, is the companion volume to *The Meaning of Money*. Written in a lucid and easy style, it combines a description of the mechanism of the stock exchange and of dealing in securities with some shrewd hints in regard to trading and speculation.

From the standpoint of the American reader, the chief benefit of the descriptive portions of the work lies in their explanation of the terms used by the arbitrage and exchange houses which deal with London, and with the incidental light which is thrown on the motives which influence speculators and the factors which determine the rise and fall of security prices. It would be worth while for the untutored politicians who throw into the legislative hopper every year measures against sales of cotton futures and short sales of securities, to read what Mr. Withers has to say on "the beneficent bear" and similar topics. One of his lessons is summed up in the following language:

In fact, there is nothing more immoral about selling stock that one has not got than about buying stock that one does not propose to pay for, and it has already been shown that the existence of a bull account is a source of weakness to a market, since it means that there are a large number of people who want to sell, while the existence of a bear account is a protection and support, since it implies that if any bad news is received, there are a number of folk waiting to close commitments by buying back stock of which they are short.

There is an important distinction between the science of money, about which so much has been written, and the science of stock exchange speculation. This lies in the fact that by reading only one may get a fair idea of monetary science, while reading till doomsday would hardly in itself fit one to go successfully into the stock market. In monetary matters, certain results may be reasoned out from given causes along comparatively simple lines. In the stock market, while there are always fundamental economic principles in operation, the effort of the successful operator is directed primarily to discovering hidden currents or tendencies, in advance of their discovery by others, and in so balancing conflicting human motives as well as financial tendencies as to do better than others in such calculations. In such a contest, accuracy of judgment in regard to both the seen and the unseen is the vital factor. From books one can learn of a few combinations and possible pitfalls, but he cannot learn, as he practically can in the case of monetary science, what he should do in a given situation. For the purpose of defining these combinations and pointing out these pitfalls, such books as that of Mr. Withers have a certain value, and his is among the most readable and practical which has come from the press.

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